



November 5, 2004

Mr. George N. Dorn, Jr.
South Carolina Public Service Commission
Interim Executive Director
ATTN: Docketing Department
P. O. Drawer 11649
Columbia, South Carolina 29211

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SC PUBLIC SERVICE
COMMISSION

RE: Testimony of Gregory A. Cagle
SCPSC Docket No. 2004-219-E

Dear Mr. Dorn:

Enclosed for filing are the original and twelve (12) copies of Testimony of Gregory A. Cagle on behalf of Progress Energy Carolinas, Inc. ("PEC") in the above proceeding. Please stamp two of the enclosed copies and return them to me in the self-addressed, stamped envelope. PEC will concurrently mail a copy to Mrs. Beatrice Weaver, the opposing party in this proceeding.

Note that PEC's deadline for pre-filing testimony in this case is November 10, 2004. PEC is filing its testimony in advance of that deadline in an effort to give Mrs. Weaver ample time to meet her respective filing deadline for testimony. In order to expedite this filing, PEC will make a supplementary filing containing the exhibits (which largely consist of Mrs. Weaver's letters) by November 10.

If you have any questions, please call me at (919) 546-6367.

Sincerely,

Len S. Anthony
Deputy General Counsel – Regulatory Affairs

LSA:mhm

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**DIRECT TESTIMONY
 OF
 PROGRESS ENERGY CAROLINAS, INC. WITNESS
 GREGORY A. CAGLE**

SCPSC DOCKET NO. 2004-219-E

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1 **Q: Please state your name and position.**

2 **A:** My name is Gregory A. Cagle, and my position is Senior Regulatory Analyst –
 3 Regulatory Affairs for Progress Energy Service Company, LLC, a service company
 4 owned by Progress Energy, Inc. (the “Company”).

5 **Q: On whose behalf are you presenting this testimony?**

6 **A:** I am appearing as a witness on behalf of Progress Energy Carolinas, Inc. (“PEC”).

7 **Q: Briefly state your background and experience relevant to this proceeding.**

8 **A:** For the past sixteen of my thirty-one years with the Company, one of my accountabilities
 9 has been the coordination of the Company’s responses to complaints filed with the North
 10 and South Carolina regulatory commissions by PEC’s retail customers. I also have ten
 11 years of experience in customer service in a field office, much of it spent one-on-one with
 12 customers, resolving their complaints and concerns. I am familiar with PEC’s billing
 13 programs, procedures, and practices and the Commission’s rules governing electric
 14 utilities’ billing, collection, and disconnection practices.

15 **Q: Please describe your degree of familiarity with this case.**

16 **A:** I have been monitoring this case since January 2001, when Mrs. Weaver’s husband Gary
 17 Weaver filed a formal complaint with the Public Service Commission of South Carolina
 18 (“the Commission”) in Docket No. 2001-249-E concerning PEC’s (then CP&L’s) efforts

1 to collect more than \$5,000 in unpaid bills for electricity consumed by Mr. and Mrs.
2 Weaver between December 1996 and December 2001. The location of Mrs. Weaver's
3 house is 1253 Harlees Bridge Road in Little Rock, South Carolina. The house in
4 question remains today the residence of Mrs. Beatrice Weaver, the Complainant in this
5 hearing. I testified on PEC's behalf in Mr. Weaver's hearing before the Commission in
6 Docket No. 2001-249-E. Since that time I have tracked the more than fifty pleadings,
7 letters, and memos that Mrs. Weaver has sent to either the Commission or PEC or PEC's
8 contractors on matters related to this case. I have also conducted extensive research into
9 the case using information sources available to the general public.

10 **Q. For the record, please describe the outcome of that 2001 complaint proceeding and**
11 **its aftermath.**

12 A. The Commission dismissed Mr. Weaver's complaint with prejudice in Order No. 2001-
13 1095 dated December 5, 2001. As a result, PEC disconnected the electric service to Mrs.
14 Weaver's house for nonpayment of \$5,314.34 in electric bills. A subsequent appeal of
15 the Commission's order was dismissed by the Dillon County (SC) Court of Common
16 Pleas in April 2002. Despite the finality of these rulings, Mr. and Mrs. Weaver persist in
17 stating that this debt is still "in dispute" and that PEC has never provided them with a
18 "proper accounting" of the debt. The debt has never been paid and the service to the
19 house has remained disconnected for the past three years. Mrs. Weaver has continued to
20 live in the house since the electric service was disconnected (as she did prior to the
21 disconnection, during the period when the debt was incurred), drawing electricity by
22 means of extension cords strung from one or both of her remaining active metered

1 electric service accounts (herein described as a “storage shed” and “barn”) on her
2 property.

3 To summarize, there are three electric service accounts on Mrs. Weaver’s 9-acre
4 estate, one to the house (which is disconnected), and one each to the storage shed and
5 barn, which remain active. The storage shed account is in her name, while the barn
6 account is in the name of Renaissance International, Inc. which is one of her corporate
7 identities.

8 **Q: What is the purpose of your testimony in this proceeding?**

9 A: To provide support for PEC’s petition to discontinue providing electric service to Mrs.
10 Beatrice Weaver and/or other corporate entities or trusts that she controls on property
11 located at 1253 Harllees Bridge Road in Little Rock, South Carolina, and to address the
12 issues that Mrs. Weaver has raised in her Counterclaim against PEC in this proceeding.

13 **Q: How does the outstanding \$5,314.34 debt figure into the present proceeding?**

14 A. This Commission and the courts have upheld the validity of the debt and PEC’s right to
15 collect it, which we are presently attempting to do by means of civil proceedings. The
16 debt is relevant to this proceeding only because: 1) Mrs. Weaver is seeking in her
17 Counterclaim to have the Commission order PEC to reconnect service to her house in her
18 name without payment of the debt; and 2) because the facts surrounding the debt and the
19 aftermath of PEC’s disconnection of service to the house for nonpayment of that debt
20 (including Mrs. Weaver’s attempts over the last three years to get the service reconnected
21 by using other names, manipulating street addresses, and trying to portray the house as a
22 church or a wellness retreat) vividly illustrate the ethical mindset of this customer, the

1 lengths to which Mrs. Weaver will go in order to evade her responsibilities, and the
2 difficulties that PEC faces routinely in attempting to conduct a customer/supplier
3 relationship with her.

4 **Q: Briefly, what is the basis for PEC's Petition to Terminate Mrs. Weaver's service**
5 **permanently?**

6 A: Having Mrs. Weaver as a customer consistently and continually imposes an unreasonable
7 expenditure of time, manpower, and money on PEC and its other ratepayers. PEC has
8 been coping, to the best of its ability, with this difficult situation for many years, but the
9 situation has grown steadily worse since the power to her house was disconnected on
10 December 21, 2001. PEC sees no hope whatsoever that this situation will improve
11 because of (1) Mrs. Weaver's steadfast refusal to cooperate in any way with PEC or with
12 this Commission; (2) her refusal to engage in any productive dialog; and (3) her refusal to
13 comply with the Company's tariffs and Service Regulations and the Commission's
14 Regulations. PEC has made every effort to resolve Mrs. Weaver's issues in some
15 mutually agreeable fashion. However, every such effort has not only failed, but has
16 seemingly made matters worse. The problem has now grown to intolerable proportions.
17 In addition to refusing to pay the above-described bill amounting to more than \$5,000,
18 which the Commission found in Docket No. 2001-249-E to be valid, she harasses our
19 meter readers, refuses PEC access to her property, (thus denying PEC access to its
20 facilities, including the Company's meters for the storage shed and barn) and she is
21 electrifying the house with extension cords running from one or both of the other
22 premises. Under Commission Rule 103-342 and Provisions 1(h), 2(c), and 11(c) of

1 PEC's Service Regulations filed with and approved by the Commission, PEC could
2 terminate her service for any of these actions, but she would merely "cure" the problem
3 just long enough to have service restored, then revert to her normal behavior. In PEC's
4 opinion, three years is long enough to tolerate this behavior. It is time to bring this matter
5 to an end.

6 **Q: Please describe in detail the actions Mrs. Weaver has taken over the past three**
7 **years that justify the permanent termination of service to her property?**

8 A: Mrs. Weaver consistently and systematically endeavors to make every interaction with
9 PEC on even the most mundane and simple matters as time-consuming, labor-intensive,
10 and adversarial as possible. The sheer volume of such interactions can be
11 overwhelming—just since August 2004 she has written more than forty letters to PEC,
12 the Commission, and even to PEC's meter reading contractor, all of them laced with
13 inflammatory accusations of impropriety and incompetence, threats, falsehoods, and
14 demands that the recipient(s) submit to doing business exclusively on her terms under
15 threat of litigation. Copies of these letters are attached as Exhibits. These letters vividly
16 illustrate how Mrs. Weaver attempts to assert control over every aspect of every situation,
17 and to dictate her own ground rules and conditions for how each step of each operation
18 will be accomplished. In addition to being a prolific letter writer, Mrs. Weaver also
19 frequently calls PEC to voice her concerns and demand specific action. PEC has received
20 approximately 15 calls from her since the beginning of this year. Although PEC has
21 repeatedly provided her with names and direct phone numbers of employees she may call
22 who are familiar with her situation, she refuses to communicate with them. Instead she

1 calls PEC's switchboard number and seeks employees who are unfamiliar with her
2 situation, then attempts to coerce them into making unreasonable commitments that work
3 to her advantage. When they refuse to submit to her demands, Mrs. Weaver typically
4 ignores their refusal and writes letters to all parties notifying them that PEC has agreed to
5 her terms. This practice wastes inordinate amounts of time on the phone because Mrs.
6 Weaver feels compelled to explain the complex history of the situation to each employee
7 who has not spoken with her before. Mrs. Weaver's actions also necessitate
8 extraordinary documentation on our part because of Mrs. Weaver's record of distorting
9 verbal statements by PEC employees and attempting to coerce employees to make
10 unreasonable commitments on behalf of PEC.

11 Billing Mrs. Weaver for electric service can also be an abnormally time-
12 consuming, contentious process as well. She routinely challenges the amount of her bills,
13 especially those that PEC has been forced to estimate because of her continual refusal to
14 allow meter readers on her property to take actual meter readings. Sometimes Mrs.
15 Weaver recalculates her bills and sends payment for what she contends the bill *should*
16 have been, then argues against PEC's application of late payment charges on the unpaid
17 balance left by her partial payments. During the time that her house service was active,
18 she routinely demanded that PEC justify each line item on her bill before she would pay
19 it, then chastised PEC for its attempts to explain the charges. Even her manner of paying
20 her bills is often calculated to impose unnecessary extra time and effort on PEC. In
21 disregard of PEC's admonitions against these practices, she sometimes sends postdated
22 checks with instructions for PEC to hold them until a specific future date, with threats of

1 legal action if we fail to follow her directions. She has been known to pay one bill with
2 multiple checks with handwritten directions for which line item of her bill to apply each
3 check to, how and when to deposit them, and so forth.

4 Recently Mrs. Weaver has been calling PEC frequently to make payment
5 arrangements (i.e. extensions of due date and/or installments) on the bills for the storage
6 shed. She has been granted payment arrangements four times in the last five months.
7 Invariably she attempts to talk PEC into allowing her more liberal payment arrangements
8 than we would give other customers, and sometimes she calls several employees in
9 succession in an attempt to negotiate a better deal. This is reminiscent of her behavior
10 prior to December 2001, when she routinely called PEC's switchboard number repeatedly
11 to "shop" for an employee who would reduce her Equal Payment Plan amount below the
12 level of her actual usage. This practice was the main cause of the debt that led to the
13 disconnection of service to her house. Finally, when all else fails, she attempts to exploit
14 the regulatory process to delay the consequences as long as possible.

15 For at least the past year and a half, Mrs. Weaver and/or her husband have
16 periodically harassed PEC's contract meter readers when they have attempted to read the
17 meters for the two active accounts on her property. Mrs. Weaver has angrily ejected
18 meter readers from her property, ordered them never to return, and threatened to swear
19 out warrants for trespassing should they return. In one instance, Mr. Weaver even
20 screamed racial slurs at a meter reader. After PEC personnel confronted them over this
21 conduct, Mrs. Weaver began denying PEC access to her property, again in violation of the

Commission's Rules (R.103.325(D)) and the Company's Service Regulations (11(c)). As a result, PEC has had to estimate her meter readings for eight of the last twelve months.

Q: Could you offer some specific examples to illustrate your previous statements?

A: PEC's previous filings in this proceeding, including the August 4, 2004 Petition to Terminate Service and the October 27, 2004 Addendum to that Petition (which is incorporated by reference and offered as exhibits to this testimony), include detailed discussions of Mrs. Weaver's actions. Her actions include: (1) disregard for the Commission's Rules and PEC's tariffs and Service Regulations; (2) ongoing refusal to allow PEC access to its facilities on her property; (3) efforts to deter meter readers from doing their job; (4) her attempts to get PEC to reconnect the presently-disconnected service to her house without paying the \$5,000+ in unpaid electric bills. She has used other parties to apply for service, by manipulating street addresses, and/or by attempting to portray her house as a church or a wellness retreat rather than a residence. Those filings focus mainly on Mrs. Weaver's actions between December 21, 2001 (the date when the house was disconnected) and August 4, 2004, the date of the Petition to Terminate Service.

I can add to the list several examples that pertain mostly to the period of time since PEC filed its Petition to Terminate Service in August 2004.

1. In early August Mrs. Weaver asked the Commission to conduct an independent test of the accuracy of PEC's meters on her property. Since then she has piled on so many conditions and ultimatums that the Commission has been unable to conduct these tests for over three months,

1 during which time at least five appointments have been scheduled and
2 cancelled. This is a prime example of Mrs. Weaver's proclivity for
3 turning a relatively simple, short-term exercise into a months-long,
4 complicated, and extremely contentious issue, wasting valuable hours for
5 the various organizations and personnel who are merely attempting to
6 accommodate her request.

- 7 2. Mrs. Weaver makes the astonishing statement in her October 9, 2004 letter
8 to Mr. Chad Campbell of the Commission's Office of Regulatory Staff
9 (ORS) that "The independent meter testing firm is to confirm [among
10 other things]...*that no lines are or have been run from the meters to any*
11 *other locations.*" This, to my knowledge, is her first written statement as
12 to why she wants the independent meter test to be conducted, and in so
13 stating she reveals that her goal is to attempt to use the independent meter
14 tester to perpetrate a falsehood by trying to obscure a proven fact. Mrs.
15 Weaver has complained from time to time to the Commission about high
16 bills for the storage shed served by Meter #B9771. PEC has responded to
17 these complaints by pointing out that Mrs. Weaver is pulling power from
18 the shed to her house, where she has continued to live since the power was
19 disconnected three years ago, and that the bills in question obviously
20 reflect far more usage than the shed itself is consuming. The existence of
21 the extension cords from the shed to the house is not mere speculation—I
22 have seen and photographed them myself, and numerous meter readers and

1 other PEC employees have reported them as well. Furthermore,
2 employees who have driven by the house at night have reported seeing
3 lights on in the house. Mrs. Weaver's electric bills, the existence of the
4 extension cords, and the accuracy of PEC's meters are not per se at issue
5 in this case. They are, however, indicative of Mrs. Weaver's continuing
6 unreasonable behavior.

- 7 3. In mid-2004 Mrs. Weaver began expressing interest in PEC's
8 "TotalMeter" automated meter reading (AMR) program. Initially she
9 asked the Commission to require PEC to provide AMR at no charge, on
10 the grounds that it would be for PEC's convenience (in other words it
11 would save PEC having to cope with her monthly refusal to allow meter
12 readers access to her property). After numerous conversations with the
13 Commission over the course of several weeks she finally agreed to pay the
14 monthly charge. However, the installation of AMR remains at a stalemate
15 because of Mrs. Weaver's refusal to submit a correct written application,
16 her refusal to allow anyone on her property to assess what is needed to
17 install the equipment, and her demand that the job be completed in one
18 visit. This is concurrent with the above independent meter test, which she
19 has contrived to postpone for months.

20 The written application issue is yet another example of a seemingly
21 simple detail that Mrs. Weaver has escalated into an insurmountable
22 problem. PEC's TotalMeter tariff (Rider MROP-2) states in part that

1 “Metering equipment to allow remote automated meter reading by
2 Company will be provided upon execution of an application for
3 TotalMeter.” Mrs. Weaver steadfastly refuses to sign the application with
4 the language provided by PEC. The issue is that Mrs. Weaver insists on
5 using a defunct account number and rate classification for the storage shed
6 served by PEC’s Meter #B91771. PEC changed the rate for the storage
7 shed from Residential to Small General Service in June 2004, based on
8 observations by PEC employees and contractors. Statements in letters
9 from Mrs. Weaver’s husband and the corporate treasurer for St. Elizabeth
10 of the Roses Benevolent Society (Mrs. Weaver’s religious organization)
11 state that the structure in question is an office, not a residence. The rate
12 change necessitated a new account number. Mrs. Weaver refuses to
13 acknowledge this change, and insists on using the old account number and
14 referring to the storage shed as a residence. Twice (in July and October
15 2004) Mrs. Weaver has sent AMR applications to PEC that she has altered
16 to reflect her contention that the storage shed is a residence, and that the
17 defunct account number is still operative. PEC has refused to accept these
18 altered applications, but has repeatedly offered to reconsider the rate
19 change by offering to meet with Mrs. Weaver on site at her convenience to
20 examine the structure and determine whether or not it qualifies as a
21 residence. PEC has several times provided Mrs. Weaver with the name
22 and telephone number of a PEC employee in Florence who is ready and

1 willing to visit the property at her convenience, and is qualified to make
2 that assessment—but she has never called the PEC representative to
3 schedule an appointment. As the matter presently stands, PEC is
4 unwilling to accept the AMR application with the incorrect information or
5 to install AMR on a verbal authorization from her, and Mrs. Weaver is
6 apparently unwilling to sign an application reflecting the correct
7 information, nor to initiate the reconsideration of the rate change that
8 apparently stands in the way of her signing an application. There is also
9 pending the matter of the barn at the rear of Mrs. Weaver's property, for
10 which she has never returned an AMR application. At this point, with the
11 hearing in this proceeding a month away, even if the pending issues were
12 to be resolved today, it would make no sense to invest in an AMR
13 installation that would have to be removed shortly thereafter if the
14 Commission grants PEC's Petition to Terminate Service.

- 15 4. A classic example of Mrs. Weaver's manipulation of events to suit her
16 purposes occurred very recently. On Friday, October 29, 2004 she called
17 PEC's switchboard number, and her call was answered by a Ms. Sabeena
18 Lourdesamy. Mrs. Weaver asked Ms. Lourdesamy if PEC could postpone
19 its scheduled November 2, 2004 meter reading to November 10. Ms.
20 Lourdesamy told her that she was not empowered to authorize such a
21 change, and would need to contact me, which she attempted to do. I was
22 out of the office that day, so Ms. Lourdesamy left me a voicemail asking

1 for my advice, and told Mrs. Weaver that she would call her back with an
2 answer. After her conversation with Ms. Lourdesamy, Mrs. Weaver
3 proceeded on the same day (October 29) to write PEC's meter reading
4 contractor and state (in complete contradiction to what Ms. Lourdesamy
5 told her) that "the meter reading scheduled for Tuesday, November 2,
6 2004 has been re-scheduled to November 10, 2004 by arrangement with
7 Progress Energy," and "Any trespassing is illegal and punishable by law—
8 a mere one week delay should NOT be a problem for anyone—unless you
9 are all in collusion against me, for which you shall ALL answer in court."
10 I returned Ms. Lourdesamy's voicemail message when I returned to my
11 office on Monday morning, November 1. At my advice, Ms. Lourdesamy
12 called Mrs. Weaver back that morning and left her a voicemail message
13 stating that PEC would not agree to change the meter reading date, that the
14 only choices were to read the meters on the scheduled day or estimate the
15 bills, and that unless we heard otherwise, we would plan to read the meters
16 on November 2 as scheduled. Mrs. Weaver responded to Ms. Lourdesamy
17 with a three-page handwritten FAX message the same day stating in part:
18 "Date of meter reading is scheduled duly for W-11-10-04. There shall be
19 no change to this date. Your request for subject meter reading for Tue-11-
20 02-04 is herewith rejected, as I shall be at Duke Medical Center in NC that
21 day as you were duly advised on a timely basis & you fully agreed last
22 week. Note that trespassing is illegal & thus punishable by law! The date

1 of W-10th is reasonable & should not present problem for anybody that
2 is—unless you conspire to create a problem, out of a no-problem
3 situation—please so advise your Mr. Cagle. P.S. This is harassment—
4 pure & simple.” This was a near-replay of the situation that occurred
5 prior to the October meter reading, as described on page 12 of PEC’s
6 October 27, 2004 Addendum, in which Mrs. Weaver called a PEC
7 representative (Angela Johnson), attempted unsuccessfully to get Ms.
8 Johnson to commit to a one-week delay in the meter reading date, then
9 proceeded to write to all parties stating that she had arranged for the
10 scheduled reading to be rescheduled.

11 Concerning Mrs. Weaver’s above admonitions about trespassing
12 and denial of access, it must be emphasized that under the previously-cited
13 Commission Rules and PEC’s Service Regulations, access to a customer’s
14 premises by PEC to read meters and maintain the Company equipment is a
15 condition of service. That is, if a customer denies PEC access, as Mrs.
16 Weaver has repeatedly done, PEC can terminate service.

- 17 5. Examples of Mrs. Weaver’s contradictory arguments in writing abound.
18 The most recent occurs in her October 29, 2004 four-page letter to Chad
19 Campbell of the Commission which, on the one hand, castigates him for
20 allowing PEC to conduct actual meter readings, and then (on the same
21 page) for allowing PEC to violate Rule 103-339(6) restricting PEC’s
22 ability to estimate bills. In other words, she expects the Commission to

1 restrain PEC from reading its meters, and then restrain PEC from
2 rendering bills based on estimated readings.

3 **Q: Has PEC attempted to talk with Mrs. Weaver and resolve all these issues?**

4 A: Yes. PEC has tried over and over to reason with her but Mrs. Weaver has been
5 adamantly opposed to any form of negotiation on any matter. In my years of experience
6 in this field, I have never before encountered anyone this resolute and inflexible. PEC is
7 always willing to negotiate, and to entertain compromises and concessions that could lead
8 to a mutually-agreeable settlement, but my clear impression is that Mrs. Weaver has no
9 interest in resolving anything. My skepticism stems in part from the fact that at least
10 twice (September 5, 2003 and March 3, 2004) supervisors from PEC and/or PEC's meter
11 reading contractor have gone to the property and spoken with Mr. and/or Mrs. Weaver
12 about the denial of access issue. Both times the Weavers appeared cordial and
13 reasonable, and both times the supervisors came away from the meetings believing that
14 the problems had been solved, but when it came time to allow meter readers on the
15 property, the Weavers again denied access in complete contradiction to their statements to
16 the supervisors. Clearly the Weavers were willing to say whatever they thought PEC
17 wanted to hear, but were insincere in their statements. The time has come to simply bring
18 all of this to an end by terminating service permanently to this property for as long as
19 Mrs. Weaver is there.

20 **Q: If it were hypothetically possible to devise a specific rate applicable only to Mrs.**
21 **Weaver based on the cost of serving this one customer, and if the Commission were**

1 **to approve such a rate, would PEC then be willing to go on providing electricity to**
2 **her?**

3 A: I would much rather implement a solution that would alleviate the excessive effort
4 involved in serving this customer, rather than just compensating PEC for having to
5 expend that unnecessary effort. If the Commission chooses not to allow PEC to
6 disconnect power permanently, I would much prefer the alternative that PEC discussed in
7 its October 27, 2004 Addendum to the Petition, namely the installation of a single
8 primary meter located outside the walled perimeter of her property, and the
9 Commission's approval of a plan to bill Mrs. Weaver once a year under the Small
10 General Service (SGS) rate schedule for the following year's estimated annual bill, based
11 on the previous year's actual usage. That could be done using existing rates; it would
12 solve the meter reading problem; it would greatly reduce the number of times PEC would
13 have to set foot on Mrs. Weaver's property; and it would alleviate month-to-month
14 controversies about her bills.

15 **Q: Does that complete your testimony?**

16 A: Yes it does.